

**Sisters of the Holy Cross
Charitable Trust**

Annual Report and Accounts

31 August 2016

Charity Registration Number 238426

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Reference and administrative information

Trustees	Sister Sheila Brennan Sister Margaret Donovan Sister Bernadette Morey Sister Mary Christa Stanton The trustees are incorporated under the Charities Act 2011.
Provincial Leader	Sister Margaret Donovan
Provincial Bursar	Sister Imelda Fleming
Administrative Address	Holy Cross Provincialate 41 Westbury Road New Malden Surrey KT3 5AX
Charity Registration Number	238426
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank plc 31 St Peter's Court Chalfont St Peter Buckinghamshire SL9 9QQ
Property Advisers	Gerald Eve LLP 72 Welbeck Street London W1G 0AY
Solicitors	Pothecary Witham Weld 70 St George's Square London SW1V 3RD Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH

Reference and administrative information

Investment Managers	BlackRock Investment Management (UK) Limited 12 Throgmorton Avenue London EC2N 2DL
	Rathbone Investment Management Limited Port of Liverpool Building Pier Head Liverpool L3 1NW
	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU

The trustees present their statutory report, together with the accounts of the Sisters of the Holy Cross Charitable Trust (the charity), for the year ended 31 August 2016.

The accounts have been prepared in accordance with the accounting policies set out on pages 40 to 46 of the attached accounts and comply with the charity's trust deed, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

INTRODUCTION

The Congregation of the Sisters of the Holy Cross (the Congregation) was founded in Switzerland in 1844 by Mother Bernarda Heimgartner. The Congregation is a Papal Congregation. The sisters work in Africa, India, Iraq, Sri Lanka, Pakistan, South America, Peru, Germany, Switzerland, Italy, Ireland and England. The sisters were sent to England in 1902 and first lived in Wimbledon.

The accounts accompanying this report are the accounts of the charitable trust on which the assets of the English Province of the Congregation are held and through which its finances operate. The charity is governed by a trust deed dated 31 August 1949 and is registered under the Charities Act 2011, Charity Registration No. 238426.

MISSION

The Sisters of the Holy Cross Charitable Trust aims to support the religious and other charitable works carried on by the members of the Congregation.

When setting the objectives and planning the work of the charity for the year, and when encouraging the work of individual sisters, the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The ministries of the sisters of the Congregation in England benefit numerous members of the general public. They fall into the following main areas:

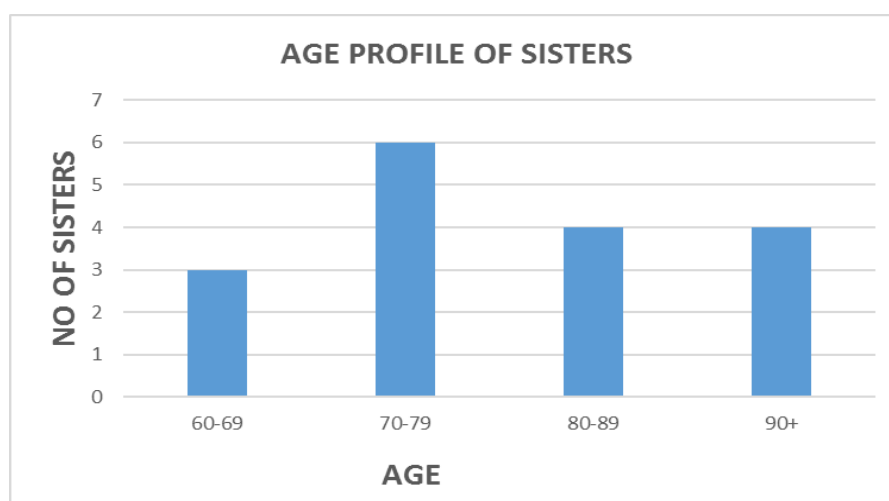
- ◆ The provision and running of a Catholic School, the Coombe – an independent day school for girls aged 4 to 11 in Coombe, Kingston, Surrey.
- ◆ Caring for members of the Congregation.
- ◆ The provision of education, care, social, pastoral and counselling services by individual sisters.
- ◆ Support of the work of the Congregation in other countries.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES

Caring for members of the Congregation

In common with many religious congregations in England, the age profile of the sisters is increasing towards the older age groups.

The age profile of the sisters in the English Province at 31 August 2016 is shown graphically below:



The Congregation has an obligation to provide care for its members, none of whom have resources of their own and all of whom have devoted a significant part of their lives to education in its broadest sense. As a consequence of the age profile of the sisters, the trustees are giving careful consideration to the health and needs of the sisters, the property requirements of the Province and their financial implications. The aim of the trustees in the forthcoming years includes:

- ◆ ensuring the sisters receive the high level of care that they require;
- ◆ enabling all sisters to continue with their ministries for as long as possible; and
- ◆ reviewing the charity's properties and assessing their suitability for the elderly.

Social and pastoral work

The following are some examples of social and pastoral work undertaken by the sisters:

- ◆ caring for sisters of the Congregation in need;
- ◆ working in parishes including visiting, helping in catechetical programmes, and assisting parishioners to develop their spiritual life;
- ◆ spiritual direction, retreat work and guiding prayer groups;
- ◆ teaching in schools;

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Social and pastoral work (continued)

- ◆ working in a hospice and with Age UK;
- ◆ visiting the elderly and infirm;
- ◆ supporting the homeless;
- ◆ working with environmental groups; and
- ◆ working with groups that combat trafficking.

The aims of the trustees in this area include:

- ◆ enabling all sisters of the Province to carry out their works of charity within the community after assessing their skills and the needs of the local area;
- ◆ encouraging and motivating the sisters to work with and assist the poor, elderly and marginalised; and
- ◆ when possible, ensuring that the sisters are remunerated for such work by way of salary or stipend. Such income is donated to the charity and this ensures that the work of the sisters and the charity may continue into the future and develop.

Education

Holy Cross Preparatory School, Kingston Hill (the Coombe) is managed on a day-to-day basis by a lay headteacher. The School has a strong Christian ethos and strives to enable each student to develop their God given gifts and a lifelong love of learning with the aim of realising their full potential spiritually, academically, personally and physically.

The School has over 280 pupils – all of whom are girls aged from 4 to 11 years old. It is set in eight acres of breath taking grounds, which include the remains of Coombe Conduit built in 1515 by Cardinal Wolsey to carry water to nearby Hampton Court Palace during the reign of Henry VIII. The author, John Galsworthy, spent his childhood there and described Coombe Ridge House – the main part of the School building – in *The Forsyte Saga* and other writings. It is a non-selective school and has a fairly wide cross section of academic ability. The School provides the opportunity for the pupils to acquire a love of learning and self-discipline with the confidence to become independent learners.

In operating the School, the trustees aim to:

- ◇ provide a Christian education in which the worship of God, gospel values and sensitivity to other faiths are central to school life;
- ◇ provide a first class academic independent education for the pupils;

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Education (continued)

- ◇ provide an environment where each pupil can develop her potential, thus helping her to grow in self-confidence and inculcate a desire to contribute to the wider community;
- ◇ work in partnership with parents, teachers and pupils;
- ◇ employ highly qualified staff to teach the pupils and support them in their ongoing training and development; and
- ◇ maintain the financial security of the School through careful budgeting and by setting fees at levels that ensure the viability of the School is not threatened.

The trustees are committed to implementing all policies and procedures of the Catholic Safeguarding Advisory Service (CSAS).

Overseas missionary work, grants and donations

As a Province, the charity supports its sisters in developing countries. An Overseas Missions Fund was created to support the Congregation's work overseas. At 31 August 2016, the fund had a balance of £6,530,917 held in investments (see note 21 to the attached accounts). The money donated by the English Province is administered by the General Administration in Switzerland. Funds are transferred only when requested by the sisters on the mission field. The Generalate receives regular reports on how this money is spent by the sisters in India, Sri Lanka, Lesotho, Zambia and the Cape Province, and in turn informs the trustees of the English Province. In consultation with the Generalate in Switzerland, when appropriate, the trustees decide on the amount of donations and other payments in support of missionary work and ministry.

Protection of children and vulnerable adults

The Coombe has an appointed Child Protection Coordinator who is responsible for ensuring that all employees have undergone Disclosure and Barring Service (DBS) checks. The trustees have overall responsibility to monitor this as well as seeing that all sisters who are in any kind of ministry in Great Britain have had DBS checks.

Investment policy

The charity's investments are managed by BlackRock Investment Management (UK) Limited, Rathbone Investment Management Limited and Sarasin & Partners LLP. There are no restrictions on the charity's power to invest. The investment strategy set by the trustees takes into account income requirements, the risk profile and the investment managers' view of the market prospects in the medium term. The strategy is to maximise total returns, within acceptable levels of risk.

ACTIVITIES, SPECIFIC OBJECTIVES AND RELEVANT POLICIES (continued)

Investment policy (continued)

There is an ethical policy precluding investment in any organisation which, after reasonable enquiry, clearly has significant profits from an activity which is contrary to the objectives of the Catholic Church.

The trustees meet regularly with the investment managers to review the performance of the portfolio and the investment strategy.

ACHIEVEMENTS AND PERFORMANCE

The following paragraphs outline the main achievements during the year in each of the charity's principal activities.

Caring for members of the Congregation

The charity has continued to assist the active members of the Congregation in their charitable and religious work. Any salary or stipend received by a sister is donated to the charity. In addition, the charity supports several members to work as volunteers in their chosen ministries.

Social and pastoral work

The sisters continue their social and pastoral care work as described earlier. This includes:

- ◇ one sister works part-time in a school for disabled children and in administration in a Retreat Centre;
- ◇ one sister tutors students and lectures in philosophy;
- ◇ some sisters accompany people for spiritual direction;
- ◇ many sisters support our older and infirm sisters;
- ◇ two sisters are involved in ministry at St Francis Parish, Stratford, London;
- ◇ one sister works part-time at the Coombe as a pastoral coordinator;
- ◇ one sister works with Staywell, a centre for older people, in New Malden;
- ◇ one sister works with bereavement counselling and as a parish catechist;
- ◇ one sister works with Interfaith within the Westminster Diocese and runs a counselling service;
- ◇ one sister, through the Society of St Vincent de Paul, visits the elderly and infirm in their homes;
- ◇ one sister is an educator on ecological issues;

ACHIEVEMENTS AND PERFORMANCE (continued)

Social and pastoral work (continued)

- ◇ three sisters work within their parishes on justice and peace issues;
- ◇ one sister works with groups engaged in support of trafficked people; and
- ◇ many sisters visit the sick in nursing homes.

Education

Holy Cross Preparatory School, Kingston Hill (The Coombe)

Aims

We aim, through our Pre-Prep and Prep-School, to provide an excellent education to girls from the ages of 4 to 11. Our mission is to seek to provide a Christian education in which the worship of God, gospel values, a knowledge and respect of other faiths, and sensitivity for others are central to school life.

In the spirit of St Francis, the School is a caring community which strives to enable each person to realise their full potential spiritually, academically, personally and physically. To achieve this, the School welcomes all faiths and works in partnership with parents, teachers and children to develop God-given gifts of each person.

We aim:

- ◇ to enable each person to grow to Christian maturity, through our worship of Christ and fostering our journey in life;
- ◇ in the pursuit of excellence in our relationships and teaching, we aim to give each child the opportunity for self-growth spiritually, personally, academically and physically;
- ◇ to develop each child's confidence, maturity and life-long enjoyment and love of learning;
- ◇ to recognise the individuality of each child and encourage the development of their own character and potential through an awareness and respect for themselves and for others;
- ◇ to develop the self-worth and self-discipline of each child and to establish a caring school community;
- ◇ to prepare children for examinations and entry to senior schools within a broad and balanced curriculum relevant to the needs of our children in an ever changing world;

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Aims (continued)

- ◇ to develop a strong sense of responsibility, cooperation and tolerance based on an awareness of needs of others and an understanding of charitable works; and
- ◇ to create and foster a partnership between parents and school and the wider community.

“Excellent teaching, wonderful pastoral care, fantastic facilities, and an all-round education, promoting self-belief and confidence where each girl is praised and recognised for her individual merits and for the contribution she can make”. Parent July 2016

Objectives, ethos, strategy and policies

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School.

The trustees and Headteacher, supported by the Advisory Body, are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic achievement and access to a broad and balanced curriculum which prepares them for lifelong learning in the love of Christ.

◆ **Our ethos: a caring School serving our local Catholic parish, community and society**

Holy Cross is a Catholic school with a strong Christian ethos, welcoming children of all faiths and cultures. This warm openness to all children, aged 4 to 11, helps to enrich the unique atmosphere of the school and fosters a friendly, caring and vibrant community that pursues excellence on every level. We meet the challenges and needs of 21st century children. It is not just our high academic standards for which we are renowned; we are also very proud of our sporting, musical and artistic achievements. Year 6 girls leave us as confident, well-rounded, gracious young people fully prepared to face the challenges of any selective senior school.

“The school provides a loving and nurturing environment for the children to grow and develop confidence.” Parent July 2016

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Our admissions policy states that priority is given to siblings and Catholics. Thereafter an individual's economic status, ethnicity, race, religion do not form part of our assessment process. Currently the school is approximately 45% Catholic, 39% other Christian faiths and 16% non-Christian faiths.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Objectives, ethos, strategy and policies (continued)

♦ **Our ethos: a caring School serving our local Catholic parish, community and society** (continued)

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of the protected characteristics. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff, parents and volunteers to share this commitment. Parents regularly comment positively on excellent pastoral care. A big girl, little girl buddy relationship is initiated on arrival to the school in the Reception year inducting our new cohort in our Holy Cross way.

♦ **Our ethos: a caring School serving our local Catholic parish, community and society** (continued)

"The pastoral care at Holy Cross is wonderful. It is a kind, supportive and caring school, every girl feels valued." Parent July 2016.



This year, the family of a former pupil gifted the School a beautiful clock spire in memory of their teenage daughter who spent 7 happy years of her life at Holy Cross Prep School.

♦ **Spiritual Life**

As a Catholic Foundation and Christian school, the teaching and learning in Religious Education is embedded in the Gospel values and in the love which God has for each and every one of us. This underpins and is the strength of all relationships within the School between child, teacher, parent and those who work in our School community. The girls live out the Gospel values through the Holy Cross Way; a charter which supports the School ethos.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Objectives, ethos, strategy and policies (continued)

♦ **Spiritual Life** (continued)

A lively and interactive scheme, "The Way, The Truth and The Life", supports teaching and learning in this area. Concepts and ideas are taught in stimulating and cross-curricular ways, making excellent use of ICT, role play activities which bring bible stories and characters to life, art, and writing short plays and reports. In this way, religious education is set in a meaningful and useful context for the children.

As we draw from a range of other religions and cultures, the study of other faiths is embedded in our scheme of work and we take every opportunity to learn more and share in the faith journeys of our children from other religions and culture. The religious celebrations of other faiths are recognised during the year, within class and through assemblies. During our world faith weeks, which take place twice a year, pupils currently study Judaism and Islam.

We meet several times a week as a whole School for collective worship: the Headteacher leads the pupils in the children's liturgy; classes write and present their own assemblies for the rest of the School and for their own class; while on other days we recognise the achievements, gifts and talents of the girls in a celebration assembly. The children worship as a class including regular prayer times at the beginning, middle and end of each day. Important events in the Church's liturgical year are recognised and celebrated through Masses and services, prepared by the staff, children and the Parish priest. All parents and members of the Parish are warmly welcomed at these celebrations. The School holds a weekly Time4God group, open to everyone it provides spiritual inspiration and an opportunity for reflection on Gospel readings through prayer and discussion. The year 3 girls enjoyed a highly popular weekly prayer club called Mustard Seeds.



ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Objectives, ethos, strategy and policies (continued)

♦ **Spiritual Life** (continued)

In the autumn, the School held special Masses to celebrate the Feast of the Holy Cross and Harvest Festival. At Christmas the pupils celebrated the coming of Our Saviour as the various year groups performed different versions of the nativity through drama and song. At Easter the School held its own mini Holy Week: a class assembly celebrated Palm Sunday and involved the whole school triumphantly waving Jesus into Jerusalem with palms and scarves; Year 6 pupils re-enacted the Last Supper, inviting the whole school to attend the table and share in the intimate Passover meal; a whole School Lenten walk through the School grounds, allowed pupils and parents to be the crowd who escorted Jesus on his final journey to the cross. It was an emotional and reflective moment for all. At the end of the academic year our year 6 girls spent a half day on retreat reflecting on their time in School, their God given gifts and talents and their spiritual journey into the future.

The spirituality of the School is very much alive and the love of God is ever present, this is often immediately commented upon by visitors whom on entering the School speak about a "warmth" as they sense God's love.

♦ **Access policies**

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. Our bursary policy together with our developing local state school partnerships contribute to a widening of access to the education we offer and the facilities we enjoy.

♦ **Bursary policy**

The trustees view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. The Bursary Committee assesses all applications in order to establish whether the family's financial situation is appropriate for an award to be considered within the limits of the current year's bursary budget, and, if so, the likely level of support which will be required in order to allow the child to attend or remain at the School. The amount of the bursary award is not influenced by the level of the academic ability of the child but by the extent of need. Each case is assessed on its own merits.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Objectives, ethos, strategy and policies (continued)

♦ **Bursary policy** (continued)

The bursary awards can be up to 100% of fees plus additional costs. Information about fee assistance through bursaries is available to all applying to the School. Bursaries are advertised on the School website and local parishes. Temporary hardship bursaries are available where parents have been paying full fees but then find themselves in challenging financial circumstances.

Academic

This year the School had a wide range of ability in year 6. However, as expected in July 2016 all 36 pupils achieved above national expectations, with most pupils achieving well above:

- ◇ in maths 89% achieved level 5+, while 39% achieved level 6;
- ◇ in English writing 84% achieved level 5+, while 17% achieved level 6;
- ◇ in reading 84% achieved level 5+, while 22% achieved level 6; and
- ◇ in science 72% performed above or significantly above national related expectation for their age group.

As in previous years, the majority of pupils gained places at their first choice schools. In total 36 girls received 98 offers from 23 schools. The girls are well prepared for all types of senior schools and all types of entrance exams, providing parental choice in year 6. This academic year, 14 girls were awarded an amazing 28 scholarships and 1 prize (8 academics, 8 music, 1 all-round sports, 2 drama, 1 art, 1 all-round scholarship, 7 sport) and 1 English prize. One girl passed the Common Entrance exams into boarding school, in addition to girls passing the 11+ for local selective maintained schools including the local, prestigious Tiffin Girls School.

"Excellent quality of teaching and pastoral care. Teaching is across the curriculum – not just focused on 11+ subjects (which stands them in good stead once they get to senior school). Lots of opportunities in music, art, drama, sport etc." Parent July 2016.

Year of History

Our School theme for 2015-2016 has been The Year of History. A time to pause and reflect on the past that has shaped Britain during the ages and a time to celebrate key moments in history. This academic year, the Queen became our longest reigning Monarch as well as celebrating her 90th birthday. In true Holy Cross style, we celebrated with crowns, cake and even a street party.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Year of History (continued)

In addition, we created a mosaic time line. Working with the ceramic artist, Tamara Froud, girls throughout the school have been part of the wonderful creation of the Windows of History which now adorn the wall, leading down to the playground. The girls sketched images from their history curriculum which Tamara wove together into six fabulous panels, each represents a different historical period and are modelled on the windows of Coombe Ridge House. All six panels are linked together by a blue and yellow Holy Cross ribbon that relays historical words and phrases written by the girls, including the history of the Sisters of the Holy Cross.

Co-curricular activities

♦ **Music**

Music is a very important part of the curriculum, enabling pupils to appreciate, read and make music. Over 150 girls take instrumental/singing lessons during the School day (ten peripatetic music teachers). The enjoyment of making music weekly in groups is facilitated by the instrumental/singing teachers who lead a guitar group, flute group, brass group, French horn group, jazz group and choir as well as the Head of Music who conducts the 50-strong School Orchestra, takes the string group and leads a choir.

The girls achieved exceptionally good results in the Royal School of Music examinations often with merit or distinction. Instruments included the clarinet, saxophone, cello, flute, French horn, classical guitar, piano, trumpet, trombone, violin and singing. In addition, new music theory lessons ran for 2 terms. This year 91 girls achieved grades including 22 at Grade-3, 14 at Grade-4, 14 at Grade-5, 1 at Grade-6, piano Grade-7 and violin Grade-8.

Other music initiatives included: girls sang carols at a local care home for the elderly and the Friends of Holy Cross Christmas Fair; all year 3 girls learnt to play a brass instrument for a term, culminating in a performance for parents; 40 girls sang at a performance of The Snow Man, at the Landmark Arts Centre, Teddington; 15 girls attended Epsom College String's Day and performed with 130 strings players; many girls performed in the annual Spring Concert; and all girls who take instrumental/singing lessons in School performed in the annual series of summer peri-concerts. Alice the Musical showcased the musical talents of year 6 girls including the 3 girls awarded musical scholarships to senior school.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Co-curricular activities (continued)

♦ **Music** (continued)

In addition to being involved with music at Holy Cross, many pupils played in highly selective external orchestras and choirs, nationally and locally: 4 pupils attended the National Children's Orchestra; 2 sang in National Children's Choir; 7 played in Stoneleigh Youth Orchestra; 2 attended Pro Corda; 2 played in the Merton Music Foundation; and 1 played in the Thames Youth Orchestra.

♦ **Drama**

The Autumn term was a whirlwind of Roald Dahl, Dickens and Shakespeare based drama in class. In conjunction with the Music Department, all pupils took part in 5 musical Christmas Nativity plays and each had the opportunity to deliver lines as well as sing. New to the drama curriculum were the LAMDA examinations with an overwhelming 100 per cent pass rate achieved, by 180 girls who entered, of whom 60 achieved merit and 30 distinctions. The finale of the year was a very professional adaptation of Alice the Musical (Alice in Wonderland) where year 6 girls sang, danced and performed to an exceptionally high standard.

The first annual Holy Cross Festival of Performing Arts took place this year which saw Rokeby, Danes Hill and Donhead pupils compete alongside Holy Cross pupils in acting, poetry and public-speaking categories, and certificates were awarded by the actress Madeleine Hutchins.

♦ **Sport**

The School has a sport for all with excellence policy. Sporting activities were numerous with sporting opportunities before and after School as well as at break time and lunchtime. Participation rates were high and girls were very involved in sport in the local and wider community. The School continued to perform very well at all sports.

During the year, the girls played over 150 matches against other schools and won or drew 115 of them (approximately 77%). In addition, there were tournaments or friendly netball and rounders matches for Year 3.

The School, with its exceptional sporting facilities for a prep school in this area, has hosted numerous fixtures across the sporting calendar and has actively participated in both prep and maintained sector events. All girls in years 3, 4, 5 and 6 had the opportunity to represent their School in a sports team and there were some teams and individuals that particularly excelled this year.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Co-curricular activities (continued)

◆ **Sport** (continued)

In Year 4, the girls started to play more competitive matches and played in their first tournaments. The Small Schools Tournaments were organised for local schools and Holy Cross finished 3rd in netball, 2nd in hockey and 1st in rounders.

- ◇ In Year 5, alongside our regular fixtures, girls competed in several external tournaments as well as the Small Schools Tournaments. They won the St Georges and Feltonfleet Netball Tournaments and finished second in the Danes Hill and Small Schools Events. In hockey, they won the Small Schools Tournament and finished 3rd at both St Georges and Danes Hill. In the "London in 2 Hockey Tournament" Year 5 were unbeaten and finished 2nd on goal difference while finishing second place at the Woldingham Rounders.
- ◇ In the Kingston Borough Cross Country Meet, Holy Cross entered a mixed year 5 and 6 team who excelled, dominating the event, as they took 1st place in the A, B and C team races.
- ◇ In Year 6 as well as the normal termly fixtures, every girl had the opportunity to compete in an all-inclusive netball tournament organised by Holy Cross against all the local prep-schools, at Kingston Grammar School Sports Grounds.
- ◇ The U11A hockey team finished in 3rd place at the regional competition and an incredible 6th place in the country at the national finals. This team also won the London In 2 Hockey Cup and were unbeaten in any regular school fixture. In netball they just missed out on reaching the nationals, finishing in 13th place at the regional event. The team won the Woldingham Tournament and triumphed in the Small Schools Tournaments across the board in netball, hockey and rounders. The U11A rounders team stormed home to win the Kingston Borough title.

◆ **Clubs**

Pupils enjoyed participating in a wide variety of co-curricular clubs:

- ◇ Music: brass group; choir; classical guitar; flute group; jazz group; orchestra; string group; scale group; horn group; jazz group.



ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Co-curricular activities (continued)

◆ Clubs (continued)

- ◇ Sport: netball, hockey and rounders squads; judo; tennis; athletics, various netball, hockey and rounders clubs; quicksticks; playball; golf; playball.
- ◇ Other: art club; ballet; book club; chess; cookery; debating society; DT club; drama club; German club; hip hop; magical maths; Mandarin club; mini engineers; mustard seeds (Christian club); pottery; quiz club; science academy; scrap booking; scribblers (creative writing); simply sewing; smarty arties; Spanish club; Spiders IT club; stable-management; yoga; zippy fingers (touch typing).

Pupils across the School enjoyed participating in various local and national events and competitions including the Surrey Schools Bake Off at Claremont Fan Court School. 4 junior girls came an incredible second in the Quiz Club National Final at the Old Naval Chapel, Greenwich for the second year running.

"The breadth of curriculum is fantastic. The girls all seem very happy and have a lovely time whilst working hard." Parent 2016

School partnership

Our school partnership seeks to widen access to our education resources, by bringing independent and state school communities together.

In the summer term, the School formed an official partnership with 2 local state schools: Coombe Infant School and Coombe Junior School. This year Coombe Junior School used the School playing fields to host their sports day. In addition, costumes were loaned to a local state school at their request to support their school play and the School continued its annual arrangement with the local Catholic senior school to host a retreat day for Year 8 pupils.

The School has developed its partnership with the Holy Cross Primary School in Lusaka, Zambia. Pupils collected books to equip the Zambian school with books to start a library as well as providing teaching resources. There are plans for the Zambian pupils to visit next academic year to share culture, friendship and laughter.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Community service

We see Holy Cross Prep as part of a wider community. We continue to use the halls and School grounds for the benefit of the local community. Macmillan once again hosted their annual World's Biggest Coffee Morning using the School facilities; a local adult netball club used the premises for training during the week; for a six week period during the summer break 2016, a very successful summer activity camp was run in the grounds for the use of local children (on a number of days 130 plus local children were enrolled including boys); camps also ran October half term and Easter break; the School opened Coombe House and the grounds to the public for the English Heritage weekend (this subsequently coincided with the 500th anniversary year of the Coombe Conduit). We were pleased to celebrate the continued links with former pupils and their families in terms of invitations to School events and work placements from both state and independent sectors.

In addition, the School supported the initiatives of the local parish (which is currently raising funds for a new church hall) when pupils produced and performed their own Talent Show and parent and pupils manned a Parish stall at the School Christmas Fair.

Charities

The School encourages the girls to serve and give to others. The School Council, consisting of representatives from all junior classes, has responsibility for identifying charities the girls wished to support during the year. Democratically the whole School decided on Mary's Meals as the School's chosen charity for the liturgical year. Mary's Meals works in 12 countries across Africa, Asia, Latin America and the Caribbean and aims to provide hungry children with one meal every school day, encouraging education that can lift them out of poverty in later life. A whole School enterprise project in each year group raised a significant sum of money for Mary's Meals in a variety of ways from handmade keyrings to "Hare" scrunches. During the previous liturgical year, the School supported Save The Children as it's chosen charity.

The girls also raised funds and gave donations for those who are less fortunate through structured fundraising both in School and independently from their own initiatives. Of particular note were activities to raise monies for: Macmillan World's Biggest Coffee Morning; the CAFOD Harvest Fast Day; and a Christmas Caper for motor neurone disease, in addition to a collection of basic necessities for Calais Refugees.

ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Charities (continued)

The School constantly encourages a sense of responsibility for others. In total the School raised £14,226 in addition to the Friends of Holy Cross, our parent association and separate charity, who continue to donate 10% of funds raised to their nominated charity Treloars Trust (who provide education, care, therapy, medical support and independence training to young people with physical disabilities from all over the UK) as well as donating 10% of the proceeds raised at their Christmas Fair to Momentum (a local charity who support the entire family during times of unimaginable strain including premature babies).

Environmental initiatives: Eco-system awareness and sustainability

The School has had a group of eco warriors who serve the School, encouraging and developing a culture of environmental conservation. During the year they focused on waste, trying to encourage the whole School to realise the decisions that they make on a daily basis impact on the local and global community. The whole School took part in the Switch Off Fortnight campaign, encouraging girls and staff to turn off their classroom lights and electronic whiteboards. The girls and teachers were eager to earn the Earth Cards, created by Eco Club, by turning off their electrical equipment each break time.

Eco Club also gave an informative assembly on the overuse of plastic and how it can be reduced, reused and recycled. Many girls entered the competition to design a useful object made from plastic bottles. The competition was stiff and some amazing entries included egg timers to pencil cases and a bottle lilo.

Organisational management

The trustees intend to continue their current strategy of maintaining the School's position in a competitive market by investing to provide high quality education for pupils; aiming to continue to achieve high standards of academic results and providing a broad and balanced curriculum which excites and stimulates an appetite for learning.



ACHIEVEMENTS AND PERFORMANCE (continued)

Education (continued)

Holy Cross Preparatory School, Kingston Hill (The Coombe) (continued)

Organisational management (continued)

The trustees and the Headteacher determine the general policy of the School supported by the Advisory Body comprising of a group of professionals with expertise and experience in various disciplines.

During the year, one member of the Advisory Body with educational expertise retired and relocated and two new professionals joined; one with business experience and one with financial acumen. The day to day running of the School is delegated to the Head, supported by the Senior Leadership Team (SLT). The Head undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the SLT.

Other relationships

The Head is a member of the Independent Association of Prep Schools (IAPS), the National Association of Head Teachers (NAHT) and the Conference of Independent Catholic Schools (CISC) which are opportunities to share expertise, knowledge and experience across the independent school sector. In addition, the School is a member of the Independent School Bursars Association (ISBA) and the Independent School's Council (ISC).

As well as being previously named The Sunday Times Independent Prep School of The Year 2013-14, the School was ranked 5th amongst the top independent preparatory schools appearing in the Sunday Times league tables in 2014. In 2015 the school made the decision it would no longer participate in the national SATs.

"Holy Cross just consistently exceeds my expectations. It really is notable, and I don't say it lightly. I had the privilege of attending an exceptional school and to have visited many fantastic schools with friends and God children. And yet at every interaction with the Holy Cross school and its girls, I am delighted and wowed. It is difficult to express in words."
Reception Parent November 2015

Overseas missionary work

It is the aim of the trustees to continue to provide financial support to the Congregation's missions overseas. £80,000 (2015 - £52,454) was transferred to the Congregation's Generalate in the year.

The money has been used for the formation of candidates who want to become Sisters of the Holy Cross.

ACHIEVEMENTS AND PERFORMANCE (continued)

Overseas missionary work (continued)

The aim of our formation is to discover and respond to God's unique call to each one and to share in the mission of Jesus by forming their religious spirituality in the context of the Province where they will be serving. Our vision for our sisters is that they become spirit-filled missionaries rooted in the Gospel, and in the Charism and Spirituality of the Congregation. During their formation they undergo different studies and activities. These include Bible study and methods of prayer, the liturgical year with its various feasts, relationships with people including other cultures as we are part of an international Congregation, the vows that all Sisters make as part of their commitment, how to live simply, etc. Below are some photos of the Sisters during their formation time.



← Classes for those in Formation

Bible Study



ACHIEVEMENTS AND PERFORMANCE (continued)

Overseas missionary work (continued)



← Meditation time

Private Study and
Reflection →



← Preparing to
celebrate Onam

ACHIEVEMENTS AND PERFORMANCE (continued)

Overseas missionary work (continued)



← Liturgical Dance

Learning to live simply -
growing fruit and
vegetables



Learning to live simply -
growing fruit and
vegetables



ACHIEVEMENTS AND PERFORMANCE (continued)

Overseas missionary work (continued)



The Fruits
of the labour!

Snake project: a case study

The Holy Cross Sisters in England continued to support the Snake Project in India. It tends to be the poor people who receive snake bites. The anti-venom is very expensive, and so Government hospitals tend not to stock it as they know the people will not be able to afford it. With the donations, the Sisters are able to stock the anti-venom – they just ask the people to give what they can towards the cost. This prevents the poor people becoming more entrapped in poverty.



ACHIEVEMENTS AND PERFORMANCE (continued)

Overseas missionary work (continued)

Snake project: a case study (continued)

Holy Cross Hospital, Kamagere, Kollegal taluk, Charamarajanar Dt in Karnataka is situated in a rural area surrounded by thickly populated villages. People are economically very poor as most of them are agricultural farmers and laborers on daily wages. This is a drought hit area and people depend on the monsoon for their cultivation. Rice, maize, raagi and sugarcane are the main cultivation in the area. People go to nearby forest areas to collect firewood. Working in the farm fields and forest areas, people are in the great risk of snake bites and attacks from other poisonous creatures.

We cater for the health needs of the people of 80-100 villages around through our hospital and comprehensive rural health programmes. Our hospital is the only one that treats snake bite patients in this district. Hence snake bite patients come to our hospital from far and wide for treatment. ASV, the venom used for the treatment is costly, yet we treat people very economically and supply ASV free for deserving patients. The number of vials of ASV used for the patients depends on the gravity of poison, as varieties of snakes are found in the area. Normally people need 15 – 40 vials of ASV to get cured, and many of them need further treatment like skin grafting. The cost of one vial of ASV has been raised from Rs. 950/- to Rs. 1047/- during the year.

Age Group	Number of patients treated	Total number of vials of ASV used	Total cost
5 – 20 years	14	70	
21 – 40 years	40	601	
41 – 60 years	25	250	
Above 60 years	5	35	
Total	84	956	R947,810

We are happy that the project saved the lives of many people, many of whom are the bread winners of their family. We also gave them awareness of first aid for when they are bitten by a snake and how they could help reduce poison entering the blood stream before they reach the hospital.

The patients and the relatives received awareness about the care of a snake bite patient. The concepts of this project go a long way towards creating structures to bring about changes in the project area.

Sr Valsa, Karnataka, India

ACHIEVEMENTS AND PERFORMANCE (continued)

Investment performance

During the year, the charity's investments achieved an income yield of 2.26% (2015 - 3.23%) and a capital yield of 13.09% (2015 - capital yield of minus 1.08%). The investment managers continued to invest in accordance with the trustees' investment policy set out earlier in this report. At the end of the year, the charity's portfolio of investment comprised 23.19% (2015 - 61.03%) UK equity funds, 13.79% (2015 - 38.97%) UK fixed interest funds, 24.33% Alpha CIF for Endowment income units, 15.64% UK Equities, 16.12% UK Unit Trust and 6.93% Overseas equities.

FINANCIAL REVIEW

A summary of the year's results can be found on page 37 of the attached accounts.

Total income in the year was £4,313,638 (2015 - £3,794,470) with income from educational services totalling £3,558,695 (2015 - £3,404,314), excluding the surplus on the disposal of the Grange of £27,167,213 (2015 - £nil).

Total expenditure in the year was £4,179,868 (2015 - £3,970,481). Expenditure on providing educational services totalled £3,381,147 (2015 - £3,169,409). Expenditure of £662,350 (2015 - £718,873) was incurred in maintaining sisters and enabling them to carry out their work.

The balance sheet shows total funds of £45.97 million (2015 - £17.14 million), of which £3.48 million (2015 - £6.16 million) is represented by tangible fixed assets used to support the work of the sisters. In addition, £6.30 million (2015 - £6.18 million) represents the assets designated for the use of The Holy Cross Preparatory School. A further £6.2 million (2015 - £3.0 million) represents the retirement reserve designed to provide income for the future care and support of the sisters. Following the disposal of the charity's land at Chalfont St Peter, the intention of the trustees is that the charity uses income generated from the proceeds to fund grants to other charities and individuals, provided such grants are applied for purposes consistent with the charity's charitable objectives. To this end, the trustees have established two designated funds both of which had balances of £11.25 million at 31 August 2016. One of the funds will be used to generate income that will be used to provide grants for projects directly affecting the United Kingdom whilst the other fund will be used to generate income to provide grants directly for use by projects in countries overseas. Details of the designated funds are given in note 22 of the attached accounts.

Free reserves available to support the sisters and their work generally in the future are shown on the balance sheet as the general fund and amounted to £7,459,261 at 31 August 2016 (2015 - £176,380).

FINANCIAL REVIEW (continued)

The trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the Congregation's work, the cost of caring for the sisters and maintaining the convents etc, the level of free reserves should be approximately twelve months annual expenditure (excluding grants payable and the costs relating to the charity's independent school) to provide for contingencies and unevenness in future outcome. At 31 August 2016 the level of free reserves required under this policy would be approximately £800,000.

At the date of the balance sheet, the trustees recognise that the level of free reserves is well in excess of the parameters set out in the policy above. This is due to the significant surplus realised as a result of the disposal of the land at Chalfont St Peter. As explained above, the trustees intend to use the proceeds to embark on a substantial grant making programme in the years ahead. This requires investment, significant preparation and planning as well detailed discernment of the types of projects to be supported with the aim of establishing a robust and workable grant making policy. Whilst this work continues, the trustees believe it appropriate to retain certain of the monies as general funds until it becomes clearer the final direction in respect to the charity's grant making activities at which time further monies will be designated. At the present time, therefore, the trustees are content with the charity's level of general funds or free reserves.

POST BALANCE SHEET EVENT

As has been noted above, in January 2016 the charity achieved legal completion on the disposal of land in Chalfont St Peter, Buckinghamshire to Persimmon Homes Limited resulting in a surplus on disposal of £27,167,213.

The land was the site of the former Holy Cross Convent School known as The Grange which closed in 2006. The legal completion of the sale was the culmination of a long and contentious planning battle which began in October 2010 (when the trustees were granted outline planning permission for a mixed-use development on the site) and ended in April 2015 following the failure of an application by Chalfont St Peter Parish Council to challenge a Court of Appeal decision that had found in favour of the trustees. The Parish Council had opposed planning permission for the site in favour of an alternative plan which involved relocating the existing Chalfont St Peter Church of England School to the site.

The Parish Council now alleges that the trustees conspired to misrepresent historic use of the school playing fields during the course of the planning application. The misrepresentations focus on two areas of land identified in the planning dispute, referred to as areas 'A' and 'B'. The trustees have stated consistently that area 'B' had been used as a playing field but that area 'A' was only an informal playing field. It is alleged the trustees made this claim because they assumed that, had area A also been used as a formal playing field, planning application would have been refused under the local authority's policy on loss of sports facilities. In April 2017, the High Court granted permission for an action against the trustees to proceed.

POST BALANCE SHEET EVENT (continued)

The trustees reject the Parish Council's allegations totally and will proceed to defend the claim robustly. Consequently, the surplus on disposal has been treated as income in these accounts. No provision has been made in these accounts for the costs of defending the claim by the Parish Council which are expected to be a maximum of £445,000 (excluding VAT). Subsequent to the balance sheet date, the trustees have been ordered to pay the Parish Council's costs of circa £28,000 (excluding VAT) in respect to a post year end application by the trustees to strike out the Parish Council's claim.

PLANS FOR FUTURE PERIODS

As has been noted above, the charity is intending to apply the significant surplus realised from the disposal of its land at Chalfont St Peter towards a substantial grant making programme in the years ahead. Work has begun on developing a grant making policy and a Grants Administrator has been employed by the charity since the year end to facilitate the process of discernment required of the trustees to ensure that such a policy is both sustainable and workable for the longer term. Whilst this thought process is evolving still, it is the intention of the trustees to support projects and causes both in the UK and overseas. In respect to the overseas projects, the aim is to continue to support the work of the Congregation in the developing world whilst also supporting projects based overseas but overseen or administered by other UK charities. In the UK the intention is that the focus will be on holistic education, supporting the marginalised and assisting people in their journey of faith.

Whilst this exciting work on the charity's future direction and its grant making programme continues, the other important works of the charity continue. In the year ahead, it is the trustees' intention to meet the following objectives:

- ◆ Continue to care for the sisters and enable them to carry out their pastoral work and ministry, providing training where required.
- ◆ Maintain the current high standard of academic achievement as measured by external examinations at the Holy Cross Preparatory School, Kingston Hill (The Coombe).
- ◆ Continue to promote Christian values in a Catholic setting at The Coombe, whilst welcoming pupils from different culture, faiths and countries.
- ◆ Encourage the development, training and continued professional development of staff at The Coombe.
- ◆ Continue to develop the bursary policy available at The Coombe.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

In terms of Canon Law, the Congregation is governed at an international level by the Congregational Leader and her General Council in Switzerland. They are elected every six years at a General Chapter. The English Province is governed by the Provincial Leader and her Provincial Council. There is a system of accountability throughout the Province to ensure that the Provincial Leader and her Councillors are aware of the ministries carried out by the sisters of the Province. The Congregational Leader makes a visit to the English Province at least once every six years.

In terms of civil law, the charity is governed by its trust deed and trustees. The trustees are appointed by the Provincial Leader. They are the four members of the Provincial Council. All members have knowledge of the charity and of its structures. They meet with the Congregation's legal, accounting and investment advisers during the course of the year to obtain a full briefing of their responsibilities and the charity's position. The Provincial Leader and individual trustees attend courses and workshops on the role of trustees and share the information with the other trustees. The trustees are an incorporated body under the Charities Act 2011.

The trustees in office during the year are listed on page 1. Brief biographical details of each are given below:

Sister Sheila Brennan

Sister Sheila is currently the Assistant Provincial Leader of the English Province. Post noviciate, Sister studied at Digby Stuart College of Education from where she obtained her teacher's certificate and consequently taught at Holy Cross Convent School, Chalfont St Peter; Our Lady's, Corby; Ladycross, Birkenhead; and St Bede's, Wallasey. After fifteen years in the teaching profession, Sister Sheila retrained for youth and community work at Westhill College of Education in Birmingham. After qualifying, she worked for the Catholic Youth Service in the Diocese of Lancaster. Returning South, Sister's ministry took her to Kingston-upon-Thames where she was involved with young people at risk. Sister's next ministry took her to East London to work in catechesis alongside the Franciscan Friars and she later moved to New Malden as co-ordinator of parish programmes, where she remained until she was elected as the Provincial Leader of the English Province in 1994. During this time, Sister studied part-time for her BA degree with the Open University and she also completed a three year part-time course in Spirituality at Lombard Street in 2003. In 2003/04, Sister Sheila spent one year of renewal in the US and is now engaged in a voluntary capacity in catechesis and bereavement counselling.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance (continued)

Sister Margaret Donovan

Sister Margaret took over as Provincial Leader of the English Province from Sister Imelda Fleming, who had completed her term of office, on 1 April 2012. For the previous 29 years, Sister Margaret taught at Holy Cross Catholic Girl's School in New Malden. She was one of the Assistant Heads for 10 years, responsible for spirituality and the daily running of the school. She taught Religious Education and Mathematics. Sister Margaret trained at Digby Stuart College in Roehampton, has an MA in Religion and Education from St Mary's University and also studied for a year in Rome. She works with young people to help them discern what God is asking of them in life. She is also involved in preparing young people who want to spend part of their gap year or holiday from university working with the Sisters of the Holy Cross in India.

Sister Bernadette Morey

Sister Bernadette completed her teacher training at Digby Stuart College. She taught for a year before she entered the Congregation of the Sisters of the Holy Cross in 1962. She spent two years in Switzerland where she did her religious training. When she returned to England, she taught Religious Studies, Mathematics, German and Geography to secondary students in the Holy Cross School in New Malden. For the next 18 years, she taught various age groups in our schools. She then worked in parishes as a catechetical co-ordinator. She was part of the parish team in Ealing and is now in the Franciscan parish in Stratford. Her work involves group work with children, teenagers and parents. This includes weekends away with young adults to enable them to grow in confidence and discover their potential to become compassionate and responsible members of society. Sister Bernadette also goes into a local school one day a week to give time to individuals who need extra care and attention and an adult ear to listen to them. She visits the housebound and ill in the parish and visits those in hospital. Sister Bernadette is working with a group which is promoting awareness and working to end sex trafficking. In 2010, she completed a three year part-time course in spirituality at the London Centre of Spirituality in Lombard Street and works with groups of adults and individuals.

Sister Mary Christa Stanton

Sister Mary Christa was educated by the Holy Cross Sisters in New Malden and joined the Congregation in 1953. She did her teacher training at Digby Stuart College, Roehampton and later obtained a BA degree with the Open University. Sister Mary Christa taught Mathematics at Holy Cross, New Malden for seven years. For 23 years, she taught Physics and General Science at Our Lady and Pope John Comprehensive School in Corby, Northamptonshire, where she was also Head of Department and a senior teacher. She did a lot of voluntary work in the parish, running several youth groups and working with older teenagers. In 1991, Sister Mary Christa returned to The Grange, Chalfont St Peter, where she taught Latin and ran the school library until she retired in 2006. Sister Mary Christa is Chairperson of the Parish Justice and Peace Group, which recently gained Fair Trade status. She is also the Education Officer for the local beekeeping society and is on the Advisory Body of Holy Cross Preparatory School at Kingston Hill, Surrey.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period.

In preparing these accounts, the trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ♦ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Structure and management reporting

The trustees are responsible for the policies, activities and assets of the charity. They meet regularly to review developments with regards to the charity and its activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers, including property consultants, investment managers, solicitors and accountants.

The English Province comprises of 17 sisters. One community is situated in Buckinghamshire and the rest are in or near London. The Provincial Leader communicates and visits the sisters throughout the year and ensures their wellbeing.

A lay headteacher is in place at the Coombe. The day-to-day running of the School is delegated to the Head and the Senior Leadership Team.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Structure and management reporting (continued)

There is an Advisory Body for the School, which meets at least three times a year to advise the trustees on the general policy of the School and review its overall management and control. There are three sub-committees which support the Advisory Body:

- ◆ Finance;
- ◆ Bursary; and
- ◆ Buildings and Health and Safety.

Key management personnel

The trustees consider that they together with the Provincial Bursar and the Headteacher of Holy Cross Preparatory School, Kingston Hill (The Coombe) comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day to day basis.

The trustees and the Provincial Bursar are all members of the Congregation and whilst their living and personal expenses are borne by the charity they receive no remuneration or reimbursement of expenses in connection with their duties as trustees or key management.

The remuneration of the Headteacher is reviewed annually by the trustees and is based on comparisons with similar organisations, the increase in average earnings and performance.

Working with other organisations

The charity works closely with a number of other charities and public bodies which work in the field of education and which enhance communication and understanding of the educational needs of the students at The Coombe. The School is an active member of the Independent Association of Preparatory Schools (IAPS), a body acting for the promotion and maintenance of preparatory schools generally.

The charity has cooperated and worked closely with the following organisations:

- ◆ the Northampton, Southwark, Brentwood and Westminster Roman Catholic Dioceses;
- ◆ Kingston Education Authority; and
- ◆ English Heritage.

The School also co-operates with many local charities in its ongoing endeavours to awaken in the pupils an awareness of the social context of the all-round education that they receive at The Coombe. The School also benefits from the generosity of a thriving network of Friends of the Holy Cross, whose close support is greatly appreciated and gladly acknowledged. These interactions and many more, bring great vitality to the School and broaden the outlook and experiences of the pupils.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk assessment and control

It is the duty of the trustees to undertake an annual review of the main risks to which the charity is exposed. Broadly speaking these risks may be categorised under governance and management, operational risks, financial risks, reputational risks and risks brought about by external circumstances such as changes in law, regulations and government policies. During the review any necessary changes to existing policies and procedures and any new policies and practices are identified and implemented to minimise risk.

The trustees, with assistance from the risk management group at The Coombe, continue to keep the charity's activities under review, particularly with regard to any major risks which may arise from time-to-time, as well as the systems and procedures to manage them. They monitor the effectiveness of internal controls including insurance cover where appropriate. All staff employed by the charity are required to have Disclosure and Barring Service (DBS) checks before commencing employment.

The main areas of risk to the charity, along with the measures in place to safeguard that risk, are as follows:

- ◆ The trustees are aware that there is both a moral and legal obligation to care for the older members. None of the Congregation have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. As the age profile increases, so too does the need to provide care for the sisters. Key elements of the management of this risk are: (a) ensuring that the charity has the available financial resources to finance this care both now and in the years ahead by setting aside assets in a designated fund, the value of which has been based on actuarial principles; and (b) ensuring that processes are in place to review regularly the ministries and needs of individual sisters, encouraging those who need it to take on less demanding ministries and for identifying those who need extra care and help.
- ◆ The charity works with children and vulnerable adults including older people. The charity has a safeguarding policy which all employees are aware of, and trustees attend workshops and seminars to ensure they are up to date with changing legislation.
- ◆ The charity's principal asset comprises listed investments, the value of which is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the trustees. The trustees meet regularly with the investment managers and their performance and that of the portfolios is monitored. The investment strategy is assessed regularly to ensure it remains appropriate to the charity's needs – both now and in the future.
- ◆ Were the Holy Cross Prep School to experience a downturn in pupil numbers in the current economic climate the School could run into financial difficulty. The trustees ensure there are robust financial systems and good policies in place to provide adequate warning and allow action to be taken should this situation arise.

EMPLOYEES, VOLUNTEERS, AND MEMBERS OF THE CONGREGATION

The trustees would like to record their recognition of the professionalism and commitment of all the staff, volunteer friends of the Holy Cross, and the individual members of the Congregation and to say how much the charity appreciates their continuing support.

Signed on behalf of the trustees:

M M DONOVAN

Trustee

Approved by the trustees on: 7 June 2017

Independent auditor's report to the trustees of Sisters of the Holy Cross Charitable Trust

We have audited the accounts of Sisters of the Holy Cross Charitable Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and with regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and the auditor

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Opinion on the accounts

In our opinion the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 August 2016 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

12 June 2017

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 August 2016

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations	1	417,992	29,808	447,800	277,047
Investments and bank deposits	2	299,850	—	299,850	104,584
Charitable activities					
. School fees and related charges	3	3,558,695	—	3,558,695	3,404,314
Other sources:					
. Miscellaneous	4	7,293	—	7,293	8,525
. Surplus on disposal of tangible fixed assets	5	27,167,213	—	27,167,213	—
Total income		31,451,043	29,808	31,480,851	3,794,470
Expenditure on:					
Raising funds					
. Investment management costs	6	14,332	—	14,332	—
Charitable activities					
. Provision of education	7	3,381,147	—	3,381,147	3,169,409
. Support of members of the Congregation and their ministry	8	662,350	—	662,350	718,873
. Donations in support of miscellaneous charitable activities	9	122,039	—	122,039	82,199
Total expenditure		4,179,868	—	4,179,868	3,970,481
Net income (expenditure) before investment gains (losses)	11	27,271,175	29,808	27,300,983	(176,011)
Net investment gains (losses)		1,531,632	—	1,531,632	(36,884)
Net income (expenditure)		28,802,807	29,808	28,832,615	(212,895)
Transfers between funds	20	29,808	(29,808)	—	—
Net movement in funds		28,832,615	—	28,832,615	(212,895)
Reconciliation of funds:					
Fund balances brought forward at 1 September 2015		17,136,440	—	17,136,440	17,349,335
Fund balances carried forward at 31 August 2016		45,969,055	—	45,969,055	17,136,440

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 August 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	15		10,511,193		13,310,004
Investments	16		18,959,072		3,412,131
			29,470,265		16,722,135
Current assets					
Stock		11,883		12,137	
Debtors	17	15,816,728		961,801	
Short term deposits		1,000,000		25,000	
Cash at bank and in hand		488,868		208,827	
		17,317,479		1,207,765	
Creditors: amounts falling due within one year	18	(606,514)		(554,735)	
Net current assets			16,710,965		653,030
Total assets less current liabilities			46,181,230		17,375,165
Creditors: amounts falling due after more than one year	19		(212,175)		(238,725)
Total net assets			45,969,055		17,136,440
The funds of the charity:					
Restricted funds	20		—		—
Unrestricted funds					
. Tangible fixed asset fund	21		3,476,570		6,157,876
. Designated funds	22		35,033,224		10,802,184
. General funds			7,459,261		176,380
Total funds			45,969,055		17,136,440

Approved by the trustees
and signed on their behalf by:

M M DONOVAN

Trustee

Approved on: 7 June 2017

Statement of cash flows Year to 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	120,226	89,130
Cash flows from investing activities:			
Investment income and interest received		316,929	113,740
Proceeds from the disposal of tangible fixed assets		15,004,696	—
Purchase of tangible fixed assets		(171,501)	(134,985)
Proceeds from the disposal of investments		2,546,886	149,324
Purchase of investments		(13,958,598)	(704,111)
Net cash provided by (used in) investing activities		3,738,412	(576,032)
Change in cash and cash equivalents in the year		3,858,638	(486,902)
Cash and cash equivalents at 1 September 2015	B	235,827	722,729
Cash and cash equivalents at 31 August 2016	B	4,094,465	235,827

Notes to the statement of cash flows for the year to 31 August 2016.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2016 £	2015 £
Net movement in funds (as per the statement of financial activities)	28,832,615	(212,895)
Adjustments for:		
Depreciation charge	363,820	437,665
(Gains) losses on investments and interest receivable	(1,531,632)	36,884
Investment income and interest receivable	(299,850)	(104,584)
(Surplus) deficit on disposal of tangible fixed assets	(27,163,213)	1
Decrease in stocks	254	2,639
Increase in debtors	(106,997)	(83,232)
Increase in creditors	25,229	12,652
Net cash provided by operating activities	120,226	89,130

B Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	488,868	208,827
Short term deposits (less than three months)	1,000,000	25,000
Cash held by investment managers	2,605,597	2,000
Total cash and cash equivalents	4,094,465	235,827

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 August 2016.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The date of transition to the Charities SORP FRS 102 was 1 September 2014.

This is the first set of the charity's accounts prepared in accordance with the Charities SORP FRS 102.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed.

The following restatements were required to the statements of financial activities for the year ended 31 August 2015:

- ◆ Governance costs which were previously reported as a separate line of expenditure within the statement of financial activities are now allocated to expenditure on charitable activities.
- ◆ Investment gains are now reported as a component of net income (expenditure).

Reconciliation with previous Generally Accepted Accounting Practice (continued)

In accordance with the requirements of FRS 102 a reconciliation of net expenditure for the year to 31 August 2015 is provided with the net expenditure under previous GAAP adjusted for the presentation of investment losses as a component of reported net expenditure:

	2015 £
Reconciliation of reported net expenditure:	
Net expenditure as previously stated	(176,011)
Adjustment for losses on investments now treated as a component of net income	(36,884)
2015 net expenditure as restated	<u>(212,895)</u>

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The items in the accounts where such judgements and estimates have been made include:

- ◆ estimating accrued expenditure;
- ◆ estimating the useful economic life of tangible fixed assets for the purpose of calculating the depreciation charge;
- ◆ assessing the recoverability of outstanding debtors for school fees; and
- ◆ determining the value of designated funds needed at the year end in particular in respect to the assumptions made in determining the value of the retirement fund.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 August 2017, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, investment income and interest receivable, income from school fees and charges and other income including the surplus on the disposal of tangible fixed assets.

Donations, including salaries and pensions of individual religious received under Gift Aid or deed of covenant, are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Investment income is recognised once the dividend has been declared and notification has been received of the amount due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income derived from the levying of school fees and charges is measured at the fair value of the consideration received or receivable, excluding discounts and rebates.

A surplus on the disposal of tangible fixed assets is defined as the difference between the sale proceeds and the net book value of the asset at the time of disposal and after deducting any costs associated with the disposal. The surplus is recognised at the time when legal completion of the sale takes place.

Miscellaneous income is measured at fair value and accounted for on an accruals basis.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

Expenditure recognition (continued)

- ◆ Expenditure on raising funds includes expenditure associated with raising funds for the charity. This comprises those investment management fees charged directly to the charity. Fees in respect to those investments which comprise pooled investment vehicles, including common investment funds, are inherent within the relevant investment holding. The fees accounted for in this way are included within note 2 to the accounts.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and indirect expenditure on the provision of education which includes all costs associated with the Congregation's independent day school, Holy Cross Preparatory School ("The Coombe"), direct and support costs in respect to the support of members of the Congregation and enabling their ministry (including governance costs) and the provision of charitable grants and donations.

Charitable grants and donations are made where the trustees consider there is real need following a review of the details of each particular case and comprise single year payments rather than multi-year grants. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are allocated directly to support of members of the Congregation and their ministry.

Tangible fixed assets

All assets costing more than £1,500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets (continued)

♦ Freehold land and buildings

Non-specialised buildings are those designed as, and used wholly or mainly for, private residential accommodation. They are stated at a trustees' valuation made, with professional assistance, in 1993 based on market value for existing use. Under the transitional arrangements set out in FRS 102, this valuation is deemed to be the cost of the relevant assets as at 1 September 2014. Additions to non-specialised land and buildings since are stated at cost. Such buildings are not depreciated. Their value and condition are reviewed annually by the trustees, who are satisfied that their residual value is not materially less than their book value.

Specialised buildings comprise school properties and the convent situated at the Grange Chalfont St Peter, Buckinghamshire. They are stated at a trustees' valuation made, with professional assistance, in 1993, based on replacement cost for existing use. Under the transitional arrangements set out in FRS 102, this valuation is deemed to be the cost of the relevant assets as at 1 September 2014. Additions to specialised buildings since are stated at cost. Depreciation is provided at 2% per annum on a straight-line basis to write the buildings off over their estimated useful economic life to the charity. Improvements and enhancements to existing buildings are depreciated at 10% per annum on a straight-line basis.

♦ Furniture, equipment and motor vehicles

Expenditure on furniture, equipment and motor vehicles is capitalised and depreciated over either a four, five or a ten year period on a straight line basis.

Investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Stocks

Stocks comprising of sundry items held for resale at the Holy Cross Preparatory School are valued at the lower of cost and net realisable value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

Restricted funds are monies raised for, and their used restricted to, a specific purpose, or donations subject to donor imposed conditions.

Designated funds are monies set aside of unrestricted general funds and designated for specific purposes by the trustees.

The tangible fixed assets fund comprises the net book value of charity's tangible fixed assets, the existence of which is fundamental to the charity being able to perform its charitable work and thereby achieve its charitable objectives. The value represented by such assets should not be regarded, therefore, as realisable.

General funds represent those monies that are freely available for application towards achieving any charitable purpose that fall within the charity's charitable objects.

Services provided by members of the Congregation

For the purposes of these accounts, no monetary value has been placed on the administrative and other services provided by the members of the Congregation.

Pension costs

The Congregation's independent school makes contributions to the Teachers' Pension Scheme (TPS), which is a defined benefit scheme. Teaching staff employed, under a contract of service are eligible to contribute to the TPS which is a statutory, contributory, final salary scheme administered by Teachers' Pensions. As the school is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the charity has taken advantage of the exemption in FRS 17 and has accounted for the contributions to the scheme as if it were a defined contribution scheme.

In order to comply with the auto-enrolment requirements set out in the Pensions Act 2008, the charity offers employees of its School membership of a defined contribution pension scheme. Contributions to the scheme are debited to the statement of financial activities in the year in which they are payable to the scheme.

The Congregation's independent school also makes contributions in respect to employees' personal pension plans. These are accounted for as if they are the contributions to a defined contribution scheme and are charged to the statement of financial activities in the year in which they are payable to the scheme.

1 Income from: donations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Salaries and pensions of individual religious received under deed of covenant	392,232	—	392,232	273,497
General donations	25,760	29,808	55,568	3,550
2016 Total funds	417,992	29,808	447,800	277,047
2015 Total funds	273,517	3,530	277,047	

2 Income from: investments

	Unrestricted Total 2016 £	Total 2015 £
Income from listed investments	258,461	102,949
Interest on cash held by investment managers	6,649	86
Interest on short-term deposits	34,440	1,383
Other bank interest	300	166
	299,850	104,584

3 Income from: school fees and related charges

	Unrestricted Total 2016 £	Total 2015 £
School fees and related charges	3,558,695	3,404,314

4 Income from: miscellaneous sources

	Unrestricted Total 2016 £	Total 2015 £
Other income	7,293	8,525

5 Income from: surplus on disposal of tangible fixed assets

	Unrestricted	
	Total 2016 £	Total 2015 £
Surplus on disposal of tangible fixed assets	27,167,213	—

This relates to the surplus on the sale of the former Holy Cross School, Chalfont St Peter to Persimmon Homes Limited. The final tranche of the proceeds amounting to £15.6 million is due in January 2017 and is shown within debtors (see note 17).

6 Expenditure on: investment management costs

	Unrestricted	
	Total 2016 £	Total 2015 £
Investment managers' fees	14,332	—

7 Expenditure on: provision of education

	Unrestricted	
	Total 2016 £	Total 2015 £
Teaching	2,640,766	2,453,837
Welfare	20,328	42,965
Premises	291,959	249,383
Management and administration	428,094	423,224
	3,381,147	3,169,409

8 Expenditure on: support of members of the Congregation and their ministry

	Unrestricted	
	Total 2016 £	Total 2015 £
Staff costs (note 12)	158,181	139,988
Premises	219,751	339,167
Sisters' living and ministry expenses	227,001	202,893
Education, training and spiritual renewal	13,000	13,260
Governance costs (note 10)	44,417	23,565
	662,350	718,873

9 Donations in support of miscellaneous charitable activities

	Unrestricted	
	Total 2016 £	Total 2015 £
Formation expenses of the Province	60,000	52,454
Annual contribution to the Generalate	16,000	14,000
Donations in support of the missions	35,000	1,593
Other donations	11,039	14,152
	122,039	82,199

10 Governance costs

	Unrestricted	
	Total 2016 £	Total 2015 £
Legal and professional fees	44,417	23,565

11 Net income (expenditure) for the year before investment gains (losses)

This is stated after charging:

	2016 £	2015 £
Staff costs (note 12)	2,369,892	2,255,675
Auditor's remuneration (including VAT)		
. Audit services	26,440	25,800
. Other services: HR support	12,090	—
Depreciation (note 15)	363,820	437,665

12 Staff costs and remuneration of key management personnel

	2016 £	2015 £
Staff costs during the year were as follows:		
Wages and salaries	1,978,357	1,909,493
Social security costs	172,863	160,113
Other pension costs	218,672	186,069
	2,369,892	2,255,675
Staff costs per function were as follows:		
Provision of education	2,211,711	2,115,687
Support of members of the Congregation and their ministry (note 8)	158,181	139,988
	2,369,892	2,255,675

12 Staff costs and remuneration of key management personnel (continued)

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2016 number	2015 number
£60,001 - £70,000	1	—
£70,001 - £80,000	1	2

The average number of employees during the year, calculated on average headcount basis and analysed by function, was as follows:

	2016 number	2015 number
Provision of education	64	63
Support of members of the Congregation and their ministry	7	8
	71	71

The trustees consider that they together with the Provincial Bursar and the Headteacher of Holy Cross Preparatory School, Kingston Hill (The Coombe) comprise the key management of the charity in charge of directing, controlling, running and operating the charity on a day to day basis.

The total remuneration (including taxable benefits and employers' pension contributions) of the key management personnel for the year was £91,582 (2015 - £87,952).

13 Trustees' expenses and remuneration and transactions with trustees

As members of the Congregation, the trustees' living expenses during the year were borne by the charity but they received no remuneration or reimbursement of expenses in connection with their duties as trustees during the year (2015 - £nil).

As members of the Congregation, none of the trustees have resources of their own as all earnings, pensions and other income have been donated to the charity under a Gift Aid compliant Deed of Covenant. During the year, the total amount donated by the trustees to the charity was £200,702 (2015 - £87,292).

14 Taxation

The Sisters of the Holy Cross Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

15 Tangible fixed assets

	Freehold land and buildings		Furniture and equipment	Motor vehicles	Total
	Specialised £	Non-specialised £	£	£	£
Cost or valuation					
At 1 September 2015	16,283,260	698,565	882,363	107,441	17,971,629
Additions	116,692	—	54,809	—	171,501
Disposals	(4,094,689)	—	—	—	(4,094,689)
At 31 August 2016	<u>12,305,263</u>	<u>698,565</u>	<u>937,172</u>	<u>107,441</u>	<u>14,048,441</u>
At cost	9,555,263	183,565	937,172	107,441	10,760,770
At valuation – 1993	2,750,000	515,000	—	—	3,265,000
	<u>12,305,263</u>	<u>698,565</u>	<u>937,172</u>	<u>107,441</u>	<u>14,048,441</u>
Depreciation					
At 1 September 2015	3,864,307	—	699,978	97,340	4,661,625
Charge for the year	294,394	—	60,706	8,720	363,820
On disposals	(1,488,197)	—	—	—	(1,488,197)
At 31 August 2016	<u>2,670,504</u>	<u>—</u>	<u>760,684</u>	<u>106,060</u>	<u>3,537,248</u>
Net book values					
At 31 August 2016	<u>9,634,759</u>	<u>698,565</u>	<u>176,488</u>	<u>1,381</u>	<u>10,511,193</u>
At 31 August 2015	<u>12,418,953</u>	<u>698,565</u>	<u>182,385</u>	<u>10,101</u>	<u>13,310,004</u>

The book value of non-specialised land and buildings is stated at a trustees' valuation made in 1993 based on market value for existing use. The book value of specialised land and buildings is stated at a trustees' valuation made in 1993 based on replacement cost for existing use. Under the transitional arrangements set out in FRS 102 these values are deemed to be equal to cost. Additions to all land and buildings since 1993 are stated at cost. Other tangible fixed assets are stated at cost.

It is likely that there are material differences between the open market values of the charity's land and buildings and their book values. These arise from the specialised nature of some properties and the effects of inflation. The amount of such differences cannot be ascertained without incurring significant costs, which, in the opinion of trustees, is not justified in terms of the benefit to the users of the accounts.

16 Investments

	2016 £	2015 £
Listed investments		
Market value at 1 September 2015	3,410,131	2,892,228
Additions at cost	13,958,598	70,414
Disposals at book value (proceeds: £2,546,886; realised gains £81,806)	(2,465,080)	(148,939)
Net unrealised gains (losses)	1,449,826	(37,269)
Market value at 31 August 2016	16,353,475	3,410,131
Cash held by investment managers for re-investment	2,605,597	2,000
	18,959,072	3,412,131
Cost of listed investments at 31 August 2016	14,209,761	2,752,412

Listed investments held at 31 August 2016 comprised the following:

	2016 £	2015 £
UK common investment funds	10,026,155	3,410,131
UK equities	2,556,882	—
UK unit trust	2,636,750	—
Overseas equities	1,133,688	—
	16,353,475	3,410,131

All listed investments were dealt in on a recognised stock exchange.

At 31 August 2016, listed investments included the following individual holdings deemed to have a material value:

	Value of holding £	Percentage of the market value %
Charishare distribution units	3,386,527	20.71
Charinco distribution units	2,255,764	13.79
Alpha CIF for endowments income units	3,977,605	24.32

17 Debtors

	2016 £	2015 £
School fees and related charges	17,085	29,850
Sale proceeds due on property disposal	15,600,000	—
Payments in advance relating to planned property disposal	—	834,991
Prepayments and accrued income	199,643	96,960
	15,816,728	961,801

18 Creditors: amounts falling due within one year

	2016 £	2015 £
Expense creditors and accruals	289,430	220,573
School entrance deposits	29,400	25,900
Tuition fees received in advance	287,684	308,262
	606,514	554,735

19 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Tuition fees received in advance	23,025	57,225
School entrance deposits	189,150	181,500
	212,175	238,725

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations to be applied for specific purposes.

	Movement in funds			At 31 August 2016 £
	At 1 September 2015 £	Income £	Transfers £	
School Hall Development fund and School Clockhouse tower	—	29,808	(29,808)	—

The School Hall Development fund comprises of funds raised to be applied towards the development of additional accommodation and facilities at The Holy Cross Preparatory School. £23,000 was received in respect to the School Clockhouse tower. These funds have been transferred to the unrestricted funds to contribute towards the costs incurred in current and prior years.

21 Tangible fixed asset fund

	At 1 September 2015 £	Movements in year £	At 31 August 2016 £
Tangible fixed assets fund	6,157,876	(2,681,306)	3,476,570

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets excluding those designated as part of the school fund (note 22). A decision was made to separate this fund from the general fund in recognition of the fact that the assets are used in the day to day work of the charity, and the fund value would not be realisable easily if needed to meet future contingencies

22 Designated funds

The unrestricted funds of the charity include the following funds designated set aside for specific purposes.

	At 1 September 2015 £	New designation £	Utilised/ released £	At 31 August 2016 £
School fund	6,181,247	151,977	—	6,333,224
Retirement reserve	3,000,000	3,200,000	—	6,200,000
UK grants fund	—	11,250,000	—	11,250,000
Overseas grants fund	1,620,937	9,629,063	—	11,250,000
	<u>10,802,184</u>	<u>24,231,040</u>	<u>—</u>	<u>35,033,224</u>

♦ School fund

The school fund represents unrestricted funds at The Holy Cross Preparatory School, which are designated by the trustees for the School's use only.

♦ Retirement reserve

This fund consists of monies set aside by the trustees to provide for the future costs of providing nursing and care costs to elderly sisters and also to provide for sisters of retirement age who are still active and not in need of care. The value of the fund is based on actuarial calculations which show that it will need to be preserved in order to provide for the Congregation's 17 sisters.

♦ UK grants fund

This fund comprises monies that have or will (on receipt) be invested with the intention of generating income that will be applied towards the provision of grants to UK charities and individuals for purposes consistent with the charitable objectives of the Sisters of the Holy Cross Charitable Trust. Whilst the charity's grant making policy is still under development, the intention is that the focus will be on holistic education, supporting the marginalised and assisting people in their journey of faith

22 Designated funds (continued)

♦ Overseas grants fund

This fund comprises monies that have or will (on receipt) be invested with the intention of generating income that will be applied towards the provision of grants to support the Congregation's overseas missions and to support other projects based overseas but overseen or administered by other Roman Catholic congregations or UK charities. Such grants will only be made for purposes consistent with the charitable objectives of the Sisters of the Holy Cross Charitable Trust.

23 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds			Total 2016 £
		Tangible fixed assets fund £	Designated funds £	General funds £	
Fund balances at 31 August 2016 are represented by:					
Tangible fixed assets	—	3,476,570	7,034,623	—	10,511,193
Fixed asset investments	—	—	18,959,072	—	18,959,072
Net current assets	—	—	9,251,704	7,459,261	16,710,965
Creditors: amounts falling due after more than one year	—	—	(212,175)	—	(212,175)
	—	3,476,570	35,033,224	7,459,261	45,969,055

24 Pension commitments

The Congregation's independent school, The Holy Cross Preparatory School, is a member of the Teachers' Pension Scheme (TPS), a defined benefit pension scheme.

Teachers' Pension Scheme (TPS)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

24 Pension commitments (continued)

Teachers' Pension Scheme (TPS) (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge);
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- ◆ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% employer administration charge) from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £176,667 (2015 - £142,443).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

25 Ultimate control

The charity, which is constituted as a trust, was controlled throughout the period by the English Province of the Sisters of the Holy Cross by virtue of the fact that the Provincial Superior of the Congregation appoints all of the trustees.

26 Post balance sheet event

As explained in the trustees' report attached to these accounts and in note 5 to these accounts, in January 2016 the charity achieved legal completion on the disposal of land in Chalfont St Peter, Buckinghamshire to Persimmon Homes Limited resulting in a surplus on disposal of £27,167,213.

The land was the site of the former Holy Cross Convent School known as The Grange which closed in 2006. The legal completion of the sale was the culmination of a long and contentious planning battle which began in October 2010 (when the trustees were granted outline planning permission for a mixed-use development on the site) and ended in April 2015 following the failure of an application by Chalfont St Peter Parish Council to challenge a Court of Appeal decision that had found in favour of the trustees. The Parish Council had opposed planning permission for the site in favour of an alternative plan which involved relocating the existing Chalfont St Peter Church of England School to the site.

The Parish Council now alleges that the trustees conspired to misrepresent historic use of the school playing fields during the course of the planning application. The misrepresentations focus on two areas of land identified in the planning dispute, referred to as areas 'A' and 'B'. The trustees have stated consistently that area 'B' had been used as a playing field but that area 'A' was only an informal playing field. It is alleged the trustees made this claim because they assumed that, had area A also been used as a formal playing field, planning application would have been refused under the local authority's policy on loss of sports facilities. In April 2017, the High Court granted permission for an action against the trustees to proceed.

The trustees reject the Parish Council's allegations totally and will proceed to defend the claim robustly. Consequently, the surplus on disposal has been treated as income in these accounts. No provision has been made in these accounts for the costs of defending the claim by the Parish Council which are expected to be a maximum of £445,000 (excluding VAT). Subsequent to the balance sheet date, the trustees have been ordered to pay the Parish Council's costs of circa £28,000 (excluding VAT) in respect to a post year end application by the trustees to strike out the Parish Council's claim.